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Overall Economic Devel. Program
Part V. : Devel. Strategy
City of Oakland
- Draft

CITY OF OAKLAND



CITY HALL • 14TH AND WASHINGTON STREETS • OAKLAND, CALIFORNIA 94612

Office of Economic Development
and Employment

September 20, 1978

TO: All Interested Citizens, Neighborhood Organizations and Members
of the Business Community

The Overall Economic Development Program (OEDP) Committee invites you to participate in a Public Hearing regarding the proposed five-year economic development strategy for Oakland. The date and location of the Public Hearing are as follows:

Wednesday, September 27, 1978 at 6:00 p.m.
East Oakland Youth Development Center
8100 East 14th Street

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As background for the Public Hearing, enclosed please find a copy of a draft Development Strategy. This draft Development Strategy has been prepared under the direction of the OEDP Committee. It proposes overall goals and objectives for economic development in Oakland, states detailed strategies of public action to strengthen various sectors of the local economy, and lists specific programs and projects to be undertaken over the next five years. The purpose of the Public Hearing will be to receive your comments and suggestions regarding the draft Development Strategy.

Following the Public Hearing, the draft Development Strategy will be revised as necessary, and will become the central element of the OEDP document that will be submitted to the Federal Economic Development Administration in October.

The OEDP Committee is most interested in receiving your input at the September 27 Public Hearing. It is intended that the preparation of this initial OEDP serve as the basis for an ongoing effort among business, neighborhood organizations, government, and interested citizens to design and implement an effective economic development program in Oakland.

Sincerely,

Cora M. Tellez
CORA M. TELLEZ

Acting Executive Director

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OVERALL ECONOMIC DEVELOPMENT PROGRAM

PART V: DEVELOPMENT STRATEGY

Draft for Review at the September 27, 1978 Public Hearing

September 15, 1978

INTRODUCTION

This Development Strategy contains three elements. The first element, or section, outlines the broad goals, objectives and decision guidelines for economic development in Oakland that have been adopted by the OEDP Committee. To help translate these goals and objectives into specific project priorities, the second section describes a multi-year strategy for public actions to be undertaken in each of the major sectors of Oakland's economy (transportation, tourism, etc.). This section also defines how economic development activities should be linked to related efforts in the areas of education and employment training, housing and community development, human services, etc. In a very real sense, this section is the heart of the entire OEDP in that it articulates the Committee's vision of what the Oakland economy should look like in five years and beyond, and states the manner in which effective public and private programs can be initiated to bring this vision to fruition. The third section is a list of specific projects which are based upon and will be used to implement the strategies set out in the second section.

ECONOMIC DEVELOPMENT GOALS AND OBJECTIVES

Rather than attempting to totally redefine the broad goals for economic development in Oakland, this Committee has made maximum use of the excellent goal statements that have been articulated by a wide range of organizations through plans and reports that have been prepared over the last several years. Appendix A summarizes the goal and objective statements that have been reviewed and considered by the Committee.

Based on this review, the Committee endorses the following broad goals for Oakland's OEDP:

1. To provide increased job opportunities to Oakland's unemployed, underemployed, and otherwise economically disadvantaged residents beyond the modest increases in jobs that might be expected from current trends.
2. To improve socio-economic conditions of Oakland's economically disadvantaged residents.
3. To strengthen the City's tax base through the stimulation of private sector investment in commercial and industrial enterprises, and through the retention and attraction of economic activity beyond improvements in the tax base that might occur through current trends.
4. To increase the productivity of Oakland's human, land, and capital resources, and
5. To improve Oakland's image as a community in which to do business.

While these goals from past reports and plans provide a broad framework for an effective Development Strategy, this Committee wishes to articulate a series of six more specific objectives which have very directly guided the preparation of this OEDP document.

1. To comprehensively link traditional economic development strategies and programs with activities in the related areas of education, skills training, housing and community development and human services.
Economic development must be viewed as one facet of an overall approach to human resource and community development. If properly coordinated, the expansion of job opportunities and tax base will have a positive impact on housing conditions and the provision of human services in our neighborhoods. Conversely, a better educated and trained labor force, and an improved neighborhood environment, will significantly enhance our efforts at economic development. Past plans and reports have paid insufficient attention to these linkages. While

The first part of the paper is devoted to a discussion of the various methods which have been proposed for the determination of the rate of reaction between a gas and a solid surface. It is found that the most reliable method is that of measuring the change in the rate of reaction when the concentration of the gas is varied.

The second part of the paper is devoted to a discussion of the various factors which influence the rate of reaction between a gas and a solid surface. It is found that the most important factors are the temperature, the concentration of the gas, and the nature of the solid surface.

The third part of the paper is devoted to a discussion of the various theories which have been proposed for the mechanism of the reaction between a gas and a solid surface. It is found that the most plausible theory is that of the Langmuir-Hinshelwood mechanism.

The fourth part of the paper is devoted to a discussion of the various experimental results which have been obtained for the reaction between a gas and a solid surface. It is found that the results are in good agreement with the predictions of the Langmuir-Hinshelwood mechanism.

The fifth part of the paper is devoted to a discussion of the various applications of the results of the study of the reaction between a gas and a solid surface. It is found that the results have many important applications in the field of catalysis and in the study of the kinetics of chemical reactions.

The sixth part of the paper is devoted to a discussion of the various conclusions which can be drawn from the study of the reaction between a gas and a solid surface. It is found that the most important conclusion is that the reaction between a gas and a solid surface is a complex process which involves many factors.

The seventh part of the paper is devoted to a discussion of the various suggestions which can be made for further study of the reaction between a gas and a solid surface. It is found that the most important suggestion is that further study should be devoted to the determination of the rate of reaction between a gas and a solid surface at different temperatures and concentrations of the gas.

The eighth part of the paper is devoted to a discussion of the various references which have been cited in the paper. It is found that the references are in good agreement with the results of the study of the reaction between a gas and a solid surface.

The ninth part of the paper is devoted to a discussion of the various acknowledgments which can be made for the study of the reaction between a gas and a solid surface. It is found that the most important acknowledgment is that the study of the reaction between a gas and a solid surface is a very interesting and important field of research.

it is impossible to thoroughly address all facets of human resource development and community development in one document, one of the primary objectives of this OEDE is the explicit evaluation and articulation of effective linkages between economic development activities and activities in the areas of education, skills training, housing and community development, and human services.

2. To initiate an educational process that will build our capacity to plan and implement economic development programs at both the Citywide and neighborhood level. In preparing this document, the Committee has become acutely aware of the limits of our knowledge regarding effective solutions to Oakland's economic problems, as well as the limits of our current capacity to effectively implement such solutions. Community groups, neighborhood merchant associations, city-wide business and labor organizations, and city government are all at an elementary stage in their efforts to understand and direct the local economy. Consequently, this OEDP must stress programs of research, technical assistance, and information dissemination that will enable all interested groups to approach our economic development problems in an increasingly knowledgeable and sophisticated fashion.
3. To emphasize the establishment of "software" mechanisms to achieve economic development goals, rather than focusing exclusively on physical development programs. As a corollary to the preceding guideline, the OEDP Committee recognizes the importance of so-called "software" approaches to Oakland's economic development. These approaches involve the improvement and/or creation of effective mechanisms for program implementation (such as the proposed City-wide Local Development Company, the proposed Economic Development Corporation, improved community organization capacity, improved City staff capacity, etc.).

Too many past economic development documents in Oakland (and too many OEDP's in general) have focused exclusively on specific physical improvement programs without addressing how these programs might be effectively delivered. While physical improvement programs play an important part in this OEDP, the Committee has also attempted to emphasize the development of mechanisms and processes for effective economic development program delivery.

4. To emphasize programs and activities that will prove cost-effective in maximizing the economic development impact of extremely limited public resources. Local economic development efforts can have only a limited impact on the growth and direction of the local economy. This limitation is exacerbated by growing constraints on the availability of public resources. Consequently, Oakland's OEDP must be fully sensitive to trends in the national and regional economy. Local actions must be of a "pump-priming" character -- carefully targeted to activities in which limited public resources can leverage substantial job opportunities and investment. This "cost-effectiveness" guideline has been employed in evaluating and prioritizing specific program proposals.
5. To promote Oakland's community image through a series of activities, with initial emphasis on improving Oakland's competitive advantage in attracting tourism and convention trade. All of the strategies and programs outlined in this OEDP are designed to have a significant positive impact on the image of Oakland as a community in which to live and conduct business. Two strategy areas, tourism and downtown growth, are of such immediate importance to the community environment and image that they merit special mention in this statement of OEDP

goals and objectives. Specific projects to immediately implement the improvement of Oakland's image are detailed later in this Development Strategy. These immediate priority projects are inter-related, and designed to generate a "critical mass" of activity within the downtown area to affect a major change in perceptions of the City's image.

6. To establish the OEDP as an ongoing process for evaluating and refining economic development goals, objectives, strategies, and programs.

This document is but an initial step in the process of designing and implementing an effective economic development strategy for Oakland. The Committee fully recognizes the shortcomings of the document. At the same time, the Committee believes that this OEDP does provide useful guidance for economic development activities over the coming year. Equally important, preparation of the OEDP has initiated a dialogue and learning process among a wide range of community representatives. The OEDP Committee will continue to expand this process in the coming year so that Oakland's economic development strategy can be strengthened and refined. In particular, the Committee intends to develop quantifiable objectives and to monitor the effectiveness of projects in achieving those objectives. Part VI of the OEDP outlines some of the specific tasks the Committee intends to undertake in the coming year.

STRATEGIES FOR ECONOMIC DEVELOPMENT

This section outlines a series of specific, multi-year strategies for public action to 1) develop key sectors of Oakland's economy and 2) link economic development programs to programs in the related areas of education, skills training, housing and community development, and community services.

The strategies have been formulated in response to 1) the goals and objectives articulated in the previous section, 2) a series of assumptions regarding trends in the national, regional, and local economy (see Part III of the OEDP), and 3) an evaluation of Oakland's problems and potentials for economic development (see Part IV).

One set of specific strategies outlined below is directed primarily toward achieving growth in the aggregate level of economic activity in Oakland. These strategies involve selective efforts to encourage the retention, expansion, and attraction of activities in specific sectors of the economy for which Oakland holds a competitive advantage. These sectors include tourism, office/headquarters activities, transportation/distribution, and selected manufacturing industries. These sectors tend to be "basic" sectors of the local economy. That is, by exporting goods and services to other parts of the Bay Area and to other regions of the nation and world, these sectors bring income, investment and job opportunities into the Oakland economy, thus increasing the aggregate level of local economic activity. These growth strategies emphasize traditional tools and approaches to economic development which are directed toward providing incentives to the private sector that create or enhance Oakland's competitive advantage.

Locally and nationally, many economic development programs have been limited to this traditional growth strategies approach. However, Oakland's OEDP is designed to give equal emphasis to a second set of strategies directed toward impacting the distribution of economic benefits so that Oakland residents begin to participate more fully in economic growth. Distributional strategies are proposed for neighborhood commercial revitalization, education and skills training, enterprenuerial development, housing, and human services. These distributional strategies emphasize innovative techniques

to expand employment, management, and investment opportunities for Oakland residents.

Together, the growth strategies and distributional strategies detailed below will enable efficient and equitable development of Oakland's economy over the coming five years.

Growth Strategies

- A. Tourism and Convention Trade: Tourism and convention trade is an economic sector in which Oakland enjoys a strong and growing competitive advantage, and for which a specific, immediate public action has been identified that will have a substantial impact on furthering economic growth. In addition, growth in tourism and convention trade is perhaps the single most effective way to promote Oakland's image. For these reasons, the strategy for tourism and convention trade is central to Oakland's OEDP.

Development of the proposed City Center Hotel/Convention Center is the immediate top priority activity for stimulating growth in this sector and in the entire local economy. The Convention Center/Garage, a proposed 118,000 square foot, \$28.5 million facility, will enable Oakland to penetrate the large convention (800+ delegates) portion of the state convention market for the first time. Oakland has several unique advantages that will make it highly competitive in this market once an adequate Convention facility is developed, including: 1) Central location in the Bay Area with outstanding transportation links to all the attractions that make the area one of the most desirable convention spots in the world, and 2) far lower costs for hotel rooms, restaurants, and other services than in downtown San Francisco. Based upon extensive

market feasibility analyses undertaken by expert consultants and staff, it is conservatively estimated that the Convention Center will attract 22,000 additional delegates to Oakland each year and generate nearly \$14 million of additional income and 800 permanent jobs for the local economy.

The adjacent City Center, a 400 room, \$23 million first class facility, will be developed in tandem with the Convention Center/Garage. Hotel development makes economic sense only if the Convention Center/Garage is constructed. The City Center Hotel will be the first new hotel constructed in downtown Oakland in half a century. It will create 400 permanent jobs for the local economy.

Perhaps as important as the direct benefits of the Hotel/Convention Center project will be the catalytic effect of the project on related downtown development. By significantly enhancing the downtown environment and image, the Hotel/Convention Center will ensure development of the City Center Regional Shopping Center and will strengthen the viability of the Victorian Row project and the initial phase of the Hong Kong/USA project (see "Downtown Growth Sector" strategy for discussion of these projects. In addition, this project will strengthen the economic feasibility of other proposed hotel developments (see below).

The Hotel/Convention Center project is proposed to be financed through a combination of public and private resources (including \$20.5 million of private investment for the hotel). Proposed public resources include City, UDAG and EDA funds. Details of the financial package are provided in the program description section of the Development Strategy.

Several additional actions are recommended to promote the tourism and convention trade sector:

- 1) Support for the development of the proposed 625 room, \$30 million Hong Kong/USA Hotel in the second phase of that project. (The success of this development is very directly linked to Convention Center/Garage construction.)
- 2) Support for additional hotel development in the Jack London Square area on Port of Oakland property.
- 3) Support for the development of a new Airport Shuttle transportation system to more effectively link Oakland International Airport with BART.
- 4) Support for expanded promotional campaigns under the auspices of the Oakland Convention and Visitors Bureau to attract additional tourists and convention delegates to Oakland.

B. Downtown Growth Sectors: Downtown Oakland offers strong economic opportunity for two important sectors--office/business service activities, and regional commercial activities--if it can overcome currently existing obstacles to growth through well planned public action. Downtown Oakland's potential competitive advantage for these two sectors arises from its location at the hub of the regional mass transit system and the nearly completed freeway system, its competitive pricing for office and commercial facilities in comparison to San Francisco, and its relative lack of traffic and parking congestion. In short, downtown Oakland can offer many of the advantages of downtown San Francisco with significantly lower costs. Given the continued explosive growth in San Francisco's

office and commercial sectors, it is clear that these same sectors provide growth potential for downtown Oakland.

Realistically, however, several events must occur before the potential competitive advantage for office and regional commercial activity can be translated into reality. The current downtown environment and the relative lack of business activity which could feed yet further activity are major impediments to office and commercial growth. Downtown Oakland has not yet achieved the "critical mass" which is a necessary base for such growth. As outlined in the tourism strategy (see above), the development of the City Center Hotel/Convention Center is an immediate public action that will have a significant positive impact on both these obstacles to development. Based on discussions with potential anchor tenants for the City Center Regional Shopping Center, it is clear that construction of the Hotel/Convention Center will directly stimulate development of the shopping center. The Regional Shopping Center will be an 850,000 square foot, \$50 million facility that will provide 3,500 permanent, private sector jobs. These developments will greatly enhance the downtown environment and level of business activity, thus ensuring the feasibility of two other important downtown projects, Victorian Row and Hong Kong/USA. Victorian Row is a project to rehabilitate and construct 230,000 square feet of office and commercial space (through private investment of \$12 million) in an area immediately adjacent to City Center and the proposed Convention Center which was the heart of downtown Oakland in the late 1890's. The Hong Kong/USA project will create 1.8 million square feet of office and commercial space (through a private investment of \$113 million) in several phases.

The first phase of Hong Kong/USA will involve the development of 240,000 net square feet of commercial condominium space. These projects will more generally assist in the creation of a critical mass of downtown activity and will strengthen the cosmopolitan character of the central area.

For these reasons, completion of the Hotel/Convention Center has been established as the top priority action for achieving long-term growth in the downtown office and commercial sectors. Other actions that will be undertaken as part of the OEDP strategy for downtown growth include:

- 1) Support (in addition to development of the Hotel/Convention Center) for the completion of the City Center Regional Shopping Center, Victorian Row, and Hong Kong/USA projects;
- 2) Support for the development of additional private and public office buildings, including a potential federal office building and a proposed regional government center.
- 3) Support for older commercial areas in downtown (such as traditional Chinatown, upper Broadway, and San Pablo Avenue) to ensure that spin-off benefits from new developments will result in continued vitality or revitalization of these important areas.
- 4) Support for environmental improvements in the lower San Pablo commercial area and along other arterials that serve as important gateways to downtown Oakland; and
- 5) Assistance to various commercial and industrial activities that may gradually be displaced from present facilities in downtown Oakland due to development pressures stimulated by public and private actions outlined above.

Finally, it is proposed that a comprehensive Downtown Growth Management Study be initiated in the coming year to carefully evaluate and plan the future role of various parts of downtown Oakland. While extensive downtown planning has taken place in the past, it is appropriate to thoroughly re-evaluate and update our vision for downtown Oakland in light of the current developments, new proposals such as downtown housing and emerging opportunities that have been briefly sketched in this strategy statement.

- C. Transportation and Related Industries: Oakland's potential competitive advantage for transportation and related activities such as warehousing is clear (see Part IV). However, to translate this potential into solid economic growth will require careful public action in the coming five years.

Transportation and related activities require extensive amounts of land, yet little suitably located land is currently available in Oakland. Consequently, a priority activity within the OEDP is to develop a well-stocked land bank for marine terminal and warehouse facility expansion. As part of this activity, efforts will be made to employ techniques for terminal and warehouse development that utilize scarce land resources more intensively than has past development. West Oakland has been suggested as a particularly well situated location for expansion of various transportation and distribution activities. At the same time, however, West Oakland contains several important and viable residential neighborhoods. There is immediate need for a careful study of West Oakland's potential to serve as an expanded transportation/distribution center bringing more closely together various forms of transportation (BART, rail, freeway) while preserving its residential areas.

Several other public actions will be supported in the next five years:

- 1) Completion of various marine terminal expansions proposed by the Port of Oakland;
- 2) Expansion of the main terminal at Oakland International Airport;
- 3) Efforts to obtain additional airline service at Oakland International Airport;
- 4) Development of a regional passenger transportation center in the Oakland West BART station vicinity that will link inter-regional transportation services (AMTRAK, interstate bus lines) with the regional transit system; and
- 5) Creation of transportation centers and related commercial developments in proximity to other Oakland BART stations (as proposed in the Lake Merritt-Coliseum Study).

D. Selected Manufacturing Industries: To make effective use of limited public resources, it is essential that Oakland's industrial growth strategy be highly selective in its emphasis. Oakland's industrial growth strategy for the coming five years will emphasize three types of industries: 1) industries for which Oakland possesses (or could readily develop) a strong competitive advantage, including metals/glass/paper/plastics recycling, health equipment and products manufacturing, and the needle trades; 2) the industries that represent the backbone of Oakland's existing industrial base (food processing, metal products, and machinery); and 3) emerging high technology industries that can develop from the research and educational facilities of the area. High priority will be devoted to continued

research and planning to refine strategies for these three types of industries.

As with the transportation/distribution sector, the key to the industrial growth strategy will be the provision of low-cost, high quality land for expansion and new development. The establishment of an industrial land bank will receive immediate attention. The land bank must provide a wide variety of sites and must be designed to respond rapidly to the needs of individual firms. To achieve these objectives, the initial capitalization of such a land bank will require substantial public resources. Further, the institutional mechanism by which land is assembled and marketed must be carefully designed. Both these issues will be fully explored in the coming months so that Oakland's industrial land bank can be initiated during the first year of the OEDP.

The industrial growth strategy will also emphasize comprehensive public assistance to key industrial districts. Through a coordinated and focused program of public actions (including land provision, street and lighting improvements, expanded security programs, off-street parking facilities, low-cost financing, etc.) the environment of an older industrial district can be substantially improved. The Coliseum Industrial Complex will serve as the initial area for this comprehensive approach to industrial retention. An investment strategy for the Coliseum Complex, which contains a third of Oakland's blue-collar jobs, is now being developed and will be implemented in the early years of the OEDP. Other older industrial areas will be selected for comprehensive treatment in later years of the OEDP.

Finally, efforts to improve the industrial/residential interface in certain mixed-use neighborhoods will be an important component of the OEDP. The Linden Street project in North Oakland initiated by interested businesses and residents and supported by public funds, will serve as an outstanding model for similar efforts in other neighborhoods (such as the "E" Street area of Elmhurst).

Distributional Strategies

A. Neighborhood Commercial Revitalization: Revitalization of selected neighborhood commercial areas can contribute to the overall growth of the Oakland economy by ensuring that more of the income generated in the "basic" sectors is respent within the city for retail goods and commercial services. Even more important, however, a successful neighborhood commercial revitalization strategy will expand access to employment opportunities and shopping services within Oakland's economically disadvantaged neighborhoods. Consequently, this OEDP calls for greater emphasis on neighborhood commercial revitalization programs as a primary means for distributing the benefits of Oakland's economic development to the residents of economically disadvantaged neighborhoods.

In designing a neighborhood commercial revitalization strategy, it must be recognized that modern transportation and consumer spending patterns will not enable the revitalization of all the small commercial areas that once served Oakland's neighborhoods. Therefore, the selective application of limited public resources to particularly viable or needy commercial areas will be central to the OEDP strategy. Special consideration will be given to supporting and enhancing overall community development activities in Oakland's neighborhoods. The basis of the OEDP strategy is to make available a wide range of revitalization "tools" which can be employed on an individual basis in commercial districts which are largely "self-selected" -- that is, in areas which contain both economic potential (adequate disposable income in surrounding neighborhoods to support development) and a strong commitment to acheive revitalization on the part of existing merchants and residents.

Several commercial revitalization "tools" will be developed and/or strengthened during the first year of Oakland's OEDP, including:

- 1) a low-cost commercial rehabilitation loan program using the SBA 502 mechanism administered by a proposed Citywide Local Development

Company (LDC);

- 2) a working and venture capital loan program, also administered by the Citywide LDC, to assist new and marginal establishments in selected commercial areas;
- 3) a facade treatment program to assist merchants in improving the appearance of their structures and the entire commercial area;
- 4) a technical and management assistance program to provide individualized service to marginal commercial establishments;
- 5) a physical improvement program to provide street and lighting improvements, off-street parking, street trees, etc. in selected commercial areas; and
- 6) a land assembly program to make available key parcels for commercial expansion or new development; and
- 7) promote the development of Community Development Corporation (CDC's) and the successful completion of neighborhood commercial revitalization projects by these corporations.

To make these tools available on a scale sufficient to serve the many viable and/or needy neighborhood commercial areas of Oakland will require substantial public resources over the coming five years. The Community Development Block Grant program will be a primary source of needed public funds. However, this OEDP proposes that innovative application of other public resources--especially the EDA Title I, II and IX programs and the HUD UDAG program--be employed to the maximum extent possible to achieve Oakland's neighborhood commercial revitalization objectives.

While additional commercial areas will certainly be self-selected for concentrated treatment in later years of the OEDP, several districts have already been identified for priority assistance in the coming two years. These include:

- 1) the Acorn Shopping Center in West Oakland, which has already obtained substantial EDA assistance, but which may require limited support from other public sources in order to attract an anchor tenant to make development possible;
- 2) the Elmhurst NDP Area - a twenty block segment of East 14th Street along which extensive public and private improvements are underway or scheduled;
- 3) the East Bay Asian Resource Center in the Chinatown area, which has already obtained substantial funding through a number of sources including major support from EDA, and which will serve as a center for a variety of activities for the Asian community of Oakland;
- 4) East 14th Street, for which a commercial revitalization investment strategy is now being prepared that will recommend specific short- and long-term public actions to be undertaken along selected portions of this eight-mile long strip;
- 5) the Foothill/Seminary district in Central East Oakland for which an innovative revitalization plan has been developed by interested merchants and financial institutions;
- 6) the Grove Street Campus in North Oakland, which may have potential for commercial development in conjunction with the development of community service facilities;
- 7) the 7th Street district of West Oakland, which has strong merchant/ community support and which may possess untapped development potential created by its proximity to the Oakland West BART station, the Postal Service Center, and the proposed passenger transportation center; and
- 8) other commercial districts which have been targeted for Community Development funding assistance, including the Fruitvale, Fairfax, and upper San Pablo districts.

Finally, it is proposed that careful study be given to the growing problem of supermarket closings in Oakland's neighborhoods. An appropriate set of community and public actions must be devised in the coming year to address this problem which is critical to an overall neighborhood commercial revitalization program. Proposals include development of an open air central produce market and assistance to consumer cooperative arrangements for food sales.

- B. Education and Skills Training: A more effective education and skills training program must be implemented if the preceeding economic development strategies are to result in more jobs for unemployed, underemployed, and economically disadvantaged Oakland residents. At the same time, an education and skills training program that strengthens Oakland's labor force will significantly enhance our ability to retain and attract economic activity in the sectors described above. For these reasons, it is important that Oakland's OEDP address the area of education and skills training, if only in a preliminary fashion.

The education and skills training programs of the Peralta Colleges will be integral components of this strategy area. The Peralta Colleges provide both special and general skill and career training programs to adults, with or without high school diplomas, and their experience will be used to assist in the development of particular programs.

Any strategy in this area must acknowledge the real concern that is expressed in many quarters about the quality of education provided to students of the Oakland Public School system. While the development of a comprehensive approach to Oakland's educational problems is far beyond the scope of this OEDP, one specific recommendation is offered at this time. School curricula should be modified and strengthened to provide students with a basic understanding of the typical work environment they will encounter and the work habits (promptness, appearance, etc.) they will be expected to display. Often the major complaint expressed by employers simply involves the work habits and orientation of participants in Oakland's labor force. Actual work experience is certainly the best way for entrants to the labor force to gain proper habits and orientation,

but the public school curricula can and should assist in this training as well.

The OEDP Committee offers two recommendations for linking skills training programs to the economic development strategies outlined in this document:

- 1) The activities this Committee should be fully coordinated with activities of the soon-to-be created Private Industry Council (PIC), as well as with the Employment and Training Advisory Commission (ETAC). The PIC will have the responsibility for preparing an annual employment training plan for the expenditure of Comprehensive Employment and Training Act (CETA) funds under the new Title VII of that Act. The PIC will be comprised of business and labor representatives, with the purpose of bringing the private sector perspective to the CETA program. It is expected that the PIC will seek to use Title VII funds for relevant skills training in potential growth sectors of the local economy. Consequently, it will be most useful for the PIC to be fully apprised of the economic development strategies of this document and of the ongoing activities of the OEDP Committee. Given the strong sense of direction provided in this OEDP, it should be possible for the PIC and City staff to design effective training programs leading to immediate placement in jobs created through Oakland's economic development efforts. It might be appropriate for the OEDP Committee and the PIC to designate informal representatives to provide liaison between the two organizations.
- 2) The OEDP Committee should pursue the concept of establishing a "career academy" to provide entrants to the labor force with comprehensive job counselling and exposure to a range of work

experiences. A successful career academy model is operative in New York City. It may prove desirable and feasible to establish such a program in Oakland by drawing upon existing resources such as those provided by the Peralta College District and the New Oakland Committee.

C. Entrepreneurial Development: To enable a more equitable distribution of economic benefits among economically disadvantaged residents, it is essential that entrepreneurial and management skills be developed in Oakland's neighborhoods. This OEDP recommends several methods for developing such skills, including:

- 1) The provision of technical and management assistance to individual firms requiring help in areas such as accounting, merchandising, market analysis, inventory control, etc.;
- 2) The provision of working and venture capital loans to new and marginal business that do not have access to private financial institutions in order that these businesses might gain the experience necessary to become profitable and bankable (note that this form of financial assistance will be supported by intensive management training to ensure that those business people involved in the program will gain essential management skills); and
- 3) The provision of technical assistance to non-profit community organizations (through local resources and through the EDA Office of Special Programs) to enable these organizations to expand their economic development planning and management capabilities.

D. Housing and Community Development: Linking economic development strategies to housing and community development efforts in Oakland's neighborhoods is

essential for three reasons. First, unless expanded employment and income opportunities are made available to existing residents at the same time that efforts to upgrade the neighborhood housing stock are underway, the undesirable result may simply be the displacement of those residents. On the other hand, unless neighborhood environment can be enhanced at the same time that residents experience expanded economic opportunities (and, consequently, expanded mobility), it is likely that Oakland's neighborhoods will continue to lose working residents. Finally, a quality housing stock and neighborhood environment can be an important asset in retaining and attracting the kinds of businesses highlighted in the OEDP.

The OEDP Committee wishes to offer three important recommendations at this time regarding the housing/economic development linkage:

- 1) Programs of the City's Office of Community Development and Office of Economic Development and Employment should be carefully coordinated to jointly impact residents of selected concentration areas within Oakland's CD neighborhoods wherever possible. The "Neighborhood Strategy Area" approach required by the CD Three Year Plan appears to be a useful mechanism for establishing these program linkages.
- 2) Projects to improve the industrial/residential interface within mixed-use neighborhoods will be stressed in the OEDP. As previously noted, the Linden Street project in North Oakland should serve as an excellent model for application in several other CD neighborhoods experiencing similar environmental problems.
- 3) Possible solutions to the scrap yards problem in West Oakland will be explored during the coming year. This problem involves the presence of over 80 scrap yard operations within residential

areas of West Oakland. Some of these scrap yards have a significantly negative impact on the quality of the neighborhood environment and housing stock. On the other hand, the scrap industry provides many low-skill jobs for Oakland residents, and has been identified as a possible growth industry in this OEDP (see discussion of recycling industry in "Selected Manufacturing Industries" strategy). A solution to this problem should be sought which strengthens both the residential quality of West Oakland and the local economic base.

- 4) Housing opportunities in the downtown area need to be expanded as downtown activities increase. For example, expansion of the existing high density residential area to the east of downtown along Lake Merritt will provide local demand for regional goods and services, will encourage night time activity, and will help increase the diversity of the downtown area.

E. Human Services: Human services include physical and mental health services, youth services, special programs for senior citizens, programs for handicapped, recreation and cultural services, and the whole range of social activities, programs and services that meet the non-monetary needs of individuals. The OEDP Committee believes that support for these services is a necessary strategy to improve socio-economic conditions for Oakland residents.

The following projects have been proposed to be implemented in this strategy area:

- 1) the East Bay Asian Resource Center, which will serve as a central location for a variety of social service agencies primarily serving the Asian community,
- 2) development of a health clinic to meet the needs of East Oakland residents,
- 3) development of a downtown senior citizen center to provide a central location easily accessible by public transit for a number of agencies that primarily serve elderly residents, and

- 4) development of an industrial health clinic that would provide both general and specialized medical services to employees of Oakland's industries and which would serve as a field oriented research and development facility exploring new products and services to solve industrial health problems.

Planning and Implementing the Strategies

Oakland must build its capacity for economic development planning and implementation if the strategies outlined in this OEDP are to succeed. Some important progress has been made in this regard over the past year. The creation of the Office of Economic Development and Employment has provided a central focus for city government actions. The Oakland Council for Economic Development (OCED) has proven itself as a powerful vehicle for involving the private sector in important economic development issues. The Community Development District Boards have become strongly involved in developing an effective program for neighborhood economic development. Organizations such as the Spanish Speaking Unity Council, the East Oakland Community Corporation and the East Bay Asian Local Development Corporation have demonstrated the ability of community-based organizations to contribute to local economic development efforts. Finally, the Overall Economic Development Program Committee has been established to synthesize the multitude of business, community, and public efforts into a comprehensive strategy for economic development.

This momentum will be maintained and expanded during the coming year through a series of capacity-building actions outlined below.

First, to implement the first year activities of the OEDP, it will be essential to marshall adequate financial resources from both the public and private sectors. Grants from EDA, HUD, other federal agencies and state government will be sought for various first year programs detailed in the following section. Local public and private financing will be secured.

Second, efforts will continue, under the direction of the City Manager, to streamline and coordinate city government mechanisms for implementing the economic development policies of the Mayor and City Council.

Third, the OCED proposal for the creation of a quasi-public Economic Development Corporation (EDC) will be carefully evaluated, and steps will be taken to establish an EDC that will perform to the satisfaction of the business sector, community organizations, and city government. Such an EDC might prove very effective in implementing several of the programs outlined in the preceding strategies, such as the proposal for industrial land banking and the development of industrial projects in the Coliseum and West Oakland areas.

Fourth, the proposed Seven CD District Citywide Local Development Company will be established, staffed, and capitalized so that it can begin to provide financial assistance to commercial establishments in Oakland's neighborhoods. The Citywide LDC will provide Oakland's CD Districts with an important mechanism for helping to shape their economic future.

Fifth, research and program development efforts will be directed toward the possible creation of a citizen-owned, profit-making corporation to serve as a holding company or development company for the City of Oakland. This approach for distributing economic benefits to local residents has been successfully initiated in Alaska, and merits further consideration regarding its applicability to Oakland.

Sixth, a major program of education and technical assistance will be initiated among civic organizations, business associations, and community groups in an effort to expand involvement in planning and implementing Oakland's economic future. This program will draw upon a wide range of local resources as well as the resources of EDA's new Office of Special Programs.

Seventh, an extensive research and planning effort will be mounted under the direction of the OEDP Committee to carefully monitor Oakland's economy

and evaluate new strategies for economic development. This effort will include identification of quantifiable objectives, development of an information system to allow accurate tracking of economic trends, development of systems for rating the success of implemented projects, and using information on program effectiveness to develop priorities for program and strategy implementation.

OVERALL ECONOMIC DEVELOPMENT PROGRAM:

INVENTORY OF PROPOSED ACTIONS

Programs, Activities and Projects Proposed
to Implement the Development Strategy

Draft for Review at the
September 27, 1978 Public Hearing

September 18, 1978

INVENTORY OF PROPOSED ACTIONS

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Strategy Area:

FIRST YEAR ACTIVITIES

Projects:

Commercial/Industrial Rehabilitation Loan (CIRL) Program
(for project description, see Neighborhood Commercial
Revitalization Strategy Area)
Convention Center/Garage/Hotel
Downtown Growth Management Study
(for project description, see Downtown Growth Sectors
Strategy Area)
East Bay Asian Resource Center
(for project description, see Neighborhood Commercial
Revitalization Strategy Area)
Economic Development Research and Planning
Minority Construction Bonding Assistance
(for project description, see Entrepreneurial Development
Strategy Area)
Neighborhood Economic Development Fund
(for project description, see Neighborhood Commercial
Revitalization Strategy Area)
Selected Commercial District Revitalization
(for project description, see Neighborhood Commercial
Revitalization Strategy Area)

CONVENTION CENTER/GARAGE/HOTEL

Project Description: The Convention Center/Garage/Hotel project is the catalyst for all development activities in downtown Oakland. The project site is located in the two blocks of bounded by Broadway, Clay, 10th and 11th Streets, immediately adjacent to the City Center/Regional Shopping Center and the Victorian Row project. Development of the Convention Center/Garage is essential to support a quality hotel in City Center; development of a Regional Shopping Center is dependent upon the commitment of a major "fashion" anchor tenant which is in turn dependent upon construction of the Hotel and Convention Center facility.

The Convention Center/Garage will be 118,000 square feet of exhibit and meeting space that will allow the City of Oakland to effectively complete for conventions and trade shows of over 800 delegates/exhibitors. The garage will accomodate 900 cars, and the first class hotel will have 405 rooms.

Estimated Costs: The total cost of the project is \$51.6 million, of which \$23 million is for the development of the hotel and \$23.6 for development of the convention center/garage. Application has been made for UDAG funding in the amount of \$11.3 million. The City will contribute 10.0 million, of which 8.5 million would be from tax allocation bond, \$1.25 million in donation of the land, and \$300,000 from remaining tax increment funds. Application will be made for an EDA Title I/Public Works grant of \$7.2 million for construction of the garage.

Schedule: Pending HUD's response to the City's UDAG application, design and land assembly will begin within seven months of HUD's notification of award. Construction on the project would begin in mid 1980 and the Hotel and Convention Center would open in mid 1982.

Project Impacts: There will be two categories of benefits from the Convention Center: 1) expanded income, taxes, and job opportunities generated by the attraction of delegates to the Convention Center itself, and 2) stimulation of private investment in directly related downtown projects. The Convention Center will generate an additional \$14 million of spending in the Oakland economy each year, leading to the creation of over 800 permanent jobs and a \$366,000 annual increase in City Sales and Transient Occupancy tax revenue. The City Center Hotel will generate \$20.5 million in private investment and 400 permanent jobs. The Regional Shopping Center will involve over \$50,000,000 in private investment and 3,500 permanent jobs.

Source: The project was originally proposed in the Central District Urban Renewal Plan, was fully detailed in the January 1978 application for UDAG funding, and was endorsed by City Council.

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ECONOMIC DEVELOPMENT RESEARCH AND PLANNING

Project Description: The OEDP Committee has determined that, with the recent initiation of the OEDP process and creation of the Office of Economic Development and Employment, an extensive research and planning effort is a priority for action in the first year. This effort will include: 1) expanding involvement in planning and implementing strategies outlined in this OEDP through a major program of education and technical assistance, 2) planning activities to explore most appropriate detailed strategies for implementing the OEDP, and 3) developing an information system and quantifiable goals to permit accurate monitoring of economic development projects. Developing programs to find innovative links between traditional economic development activities and educational skills training, human services, and housing and community development will be parts of the program to expand involvement in development activities. Planning activities will include the downtown growth management study, a west Oakland industrial and use investment strategy paralleled to the Coliseum Industrial Complex Study currently being undertaken, a study of market conditions in the North, West and Central CD districts around San Pablo Avenue, contracted detailed analysis of growth industries for Oakland, and research into the feasibility of an Oakland equity investment corporation.

Estimated Costs: These activities will cost between \$150,000 and \$200,000. Successful application for a third year EDA Planning Grant in the amount of \$100,000 would support a substantial proportion of the above mentioned activities.

Schedule: This project would continue the on-going activities of the Planning and Program Development Unit of the Office of Economic Development and Employment.

Project Impacts: Careful planning will enable the City to make most effective use of the scarce public resources available for economic development.

Project Source: OEDP Committee

Strategy Area:

TOURISM AND CONVENTION TRADE

Projects:

Airport Service Expansion
Convention Center/Garage/Hotel
 (for project description, see First Year Activities
 Strategy Area)
Economic Attraction Program
Jack London Square/Embarcadero Mariana Expansion

Airport Service Expansion

Project Description: Improvement of airport ground and flight access is expected to result in major increases in daily passenger usage of the Oakland Airport. Increased passenger traffic will in turn spur further improvements in the numbers of flights and the numbers of carriers serving the airport, which will allow development of support facilities such as carrier operated airport shops. The Port of Oakland is undertaking a series of activities to increase the number of tourists and East Bay area residents using the facilities of the Oakland Airport: (1) encourage the development of a fixed rail transit system linking BART to the airport at the Coliseum station, (2) construct additional airport facilities, including an FAA flight service, and (3) continue discussions with major carriers to negotiate expansions of flight frequency. Expansion of flight service has received a major impetus from the recent CAB decision to deregulate the number of carriers operating from the airport.

Estimated Costs: Capital improvements to the North and South Airports are scheduled to cost \$6,400,000. The fixed rail connection between BART and the airport will cost in the range of \$60 million.

Schedule: Capital improvements are schedule to be initiated in late 1978. Implementation of the fixed rail transit system would be scheduled after the project had been accepted by all participants of the regional transportation planning system.

Project Impact: This project is expected to have a very significant impact upon Oakland's economy. Expansion of airport flight services will increase the numbers of passengers using and paying for Oakland airport services, will provide a market for expanded retail facilities in and around the airport which will in turn create some 2,500 new permanent jobs, and will increase the desirability of Oakland locations because of their access to a high level of airport services.

Project Source: This project is contained in the Port of Oakland Proposed Capital Improvement Program, and in the Lake Merritt - Coliseum Study.

ECONOMIC ATTRACTION PROGRAM

Project Description: It has been proposed that the City of Oakland undertake a Citywide promotion and marketing program carefully designed to reach those firms likely to find an Oakland location desirable. Such an attraction program would need to include a sizeable research and development portion, to identify those industries and individual firms that are growing and/or are likely to find an Oakland location desirable, and strategies for encouraging those firms and industries to locate in the City. Special attention will be given to Pacific trading partners to explore the realistic possibilities of attracting direct foreign investment. The program could include a targeted marketing brochure, such as the Oakland profile, other advertising strategies, and various types of personal contacts (in person, by phone, through professional organizations).

Estimated Cost: A general promotion program could be as high as \$300,000 annually, although part of this cost could be raised through private contributions.

Schedule: A professional marketing staff would need to be hired and given the responsibility of the promotion campaign. While developing the strategy of which industries and firms should be targeted will be an ongoing effort, the initial six months of the program will be devoted solely to the research and development phase.

Project Impacts: Firms brought in to Oakland from outside the city, county, state or nation will have extremely beneficial effect upon Oakland's economy, creating jobs not only directly but also through indirect multiplier effects. However, a promotion campaign is an extremely risky operation, and the results may not be immediately demonstrable.

Project Source: This project has been proposed by the Kaiser Aluminum Task Force of OCED, the Oakland Profile Subcommittee of the OCED Investment Opportunities Task Force, and the Oakland Chamber of Commerce.

JACK LONDON SQUARE AREA DEVELOPMENT

Project Description: The Port of Oakland has been extremely successful in promoting the development of a critical mass of commercial, service, and professional office functions in the Jack London Square area, adjacent to downtown Oakland. This area has already become a major tourist attraction and has the potential to increase the attraction of tourists to downtown Oakland. Immediate plans call for series of improvements in the area, including redevelopment of a key parcel now being used as a restaurant, street improvements, and improvements to the Port administration and firehouse buildings as well as development of a marina and associated multi-purpose building along the Embarcadero. Longer term plans call for the development of a first class hotel in the Jack London Square area and transit improvements to more closely tie the Square area to the City Center developments.

Estimated Costs: Short term improvements are scheduled to cost in the range of \$2,000,000.

Schedule: Short term improvements in the Jack London Square area are proposed for implementation in late 1978.

Project Impacts. Expansion of activity in the Jack London Square area will contrive to attract visitors and will support other efforts to develop a critical mass of activities in the downtown area. In the long term, after construction and full operation of the Convention Center, a first class hotel in the Jack London Square area will be needed to accomodate the overflow of delegates from the city center hotel. These activities will result in a significant increase in the number of permanent jobs downtown.

Project Source: This project is included in the Port of Oakland Proposed Capital Improvements Program, and has been proposed by the Oakland Visitor and Convention Bureau.

Strategy Area:

DOWNTOWN GROWTH SECTORS

Projects:

City Center Project
Downtown Growth Management Study
Hong Kong/USA
Selected Commercial District Revitalization
 (for project description, see Neighborhood Commercial
 Revitalization Strategy Area)
Victorian Row

CITY CENTER PROJECT

Project Description: A number of downtown developments are being undertaken to enhance the downtown environment and to create a "critical mass" of activity to spur further growth. Two major office buildings (Wells Fargo and Clorox), a public pala/BART entrance and a parking garage have been completed within the City Center Project area. The Convention Center/Garage/Hotel project is scheduled for implementation in the first year's OEDP activities. In addition, a regional shopping center and three additional office towers are scheduled to be built. Based upon discussions with potential anchor tenants of the Regional Shopping Center, it is clear that construction of the Hotel/Convention Center will directly stimulate development of the Shopping Center. The Shopping Center will be a 350,000 square foot, \$50 million facility with two major anchor tenants and a variety of smaller stores serving regional retail functions.

Estimated Costs: Total development costs of the regional shopping center are currently estimated at _____. The City of Oakland will provide \$8,500,000 of development costs with the remainder being financed by the City Center developer.

Schedule: The City Center Regional Shopping Center is scheduled for phased construction in conjunction with the Convention Center/Garage/Hotel.

Project Impacts: The Regional Shopping Center will directly provide 3,500 permanent private sector jobs. The project will generate \$1,700,000 in property and other tax revenues. The project will also provide construction jobs and spin off jobs created through a critical mass of downtown activity.

Project Source: Central District Urban Renewal Plan

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DOWNTOWN GROWTH MANAGEMENT STUDY

Project Description: The Downtown Growth Management program would be a comprehensive study to evaluate the growth potential and the public and private investment opportunities in the downtown district of Oakland. The study would produce an action plan to increase the growth potential of the downtown area, primarily by increasing certain services such as transportation systems. The study is designed to examine the public and private investments that have been made downtown in the last ten years, and propose mechanisms for increasing the spin offs of such investments by tying them more closely together both through movement systems and through increases in activity between major investment nodes.

It is envisioned in a preliminary proposal that the study will be guided by several committees which will include broad representation from within, and outside of, city government. The study will include a detailed physical inventory of existing and planned development in the downtown area as well as an assessment of the reuse potential of existing buildings. Trends in assessed valuation downtown will be analyzed. Feasible urban design alternatives will be proposed.

Estimated Cost: As much of the data collection phases of the study will be done by consultants, it is estimated that the project will cost \$200,000. An extremely interactive process is anticipated which will raise a number of questions and proposals for staff attention.

Schedule: The study will require eighteen to twenty-four months to complete.

Project Impacts: Downtown investment has a very high multiplier effect for other economic activity in Oakland, and has numerous spill over values for properties and districts surrounding the downtown. This study recognizes that a comparatively modest expenditure, in addition to the public and private investments already made downtown, will have very large benefits for the entire City by increasing the return on those investments through: increases in downtown commercial activity, enhanced ability to be major commercial and service node for East Bay, increased desirability as headquarters location, and providing certain commercial amenities for Oakland's neighborhoods.

Project Source: This project was proposed by the Urban Design Committee of OCCUR, the Economic Development Department of the Office of Community Development and is now being proposed by the Office of Economic Development and Employment.

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HONG KONG/USA

Project Description: The Hong Kong/USA project will create 1.8 million square feet of office and commercial space in a four square block area of downtown Oakland bounded by Broadway, Webster, 9th and 11th Streets. Development will be undertaken in several phases, with the first phase being construction of 240,000 net square feet of commercial condominium space. Six additional construction phases will develop a hotel, parking facilities, apartments, office condominiums, and cultural facilities.

Estimated Costs: The total cost of the Hong Kong/USA project is \$139 million, of which the City will contribute \$25 million and the remainder to be raised by the developer. The City has already obligated \$6 million of Urban Renewal and CDBG funds.

Schedule: The developer is in the process of finalizing the financing package. First phase construction is expected to be completed by July, 1981. Final completion of all seven phases is expected within twenty years.

Project Impacts: It is estimated that some 2,500 construction jobs and 5,500 permanent jobs will be generated. It is expected that \$2,300,000 in property, sales, business, and transient occupancy taxes will also be generated.

Project Source: Central District Urban Renewal Plan.

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VICTORIAN ROW

Project Description: The Victorian Row project will create approximately 155,000 net square feet of specialized commercial and professional office space (85,000 commercial; 70,000 office space). It is located in downtown Oakland on the blocks bounded by 8th Street, 10th Street, Broadway and Washington Streets and includes the corner parcel west of Washington Street and 9th, but excludes the parcel at the corner of 10th and Washington. The project will return historically significant late 19th century structures to viable economic use while maintaining their architectural character and will help create a critical mass of regional commercial and office functions in the heart of downtown Oakland.

Estimated Costs: Development of Victorian Row will cost \$13.8 million, of which \$12 million will be raised privately. The City will provide \$3 million from Central district tax revenues, with \$1.2 million of public money being returned with sale of the land.

Schedule: Pending developer compliance with financing provisions of disposition agreement, construction on first two buildings will be completed within 9 months. Completion of total project is expected within 6½ years (1984-85).

Project Impacts: It is estimated the project will generate 700 new, permanent jobs, 299 construction jobs and some \$500,000 per year in tax revenues.*

Project Source: Central District Urban Renewal Plan

* The tax revenue projections are pre-Proposition 13. Analysis of post-Proposition 13 tax revenues has not yet been conducted.

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Strategy Area:

TRANSPORTATION AND RELATED INDUSTRIES

Projects:

Airport Service Expansion (for project description,
see Tourism and Convention Trade Strategy Area)
Distribution Terminal
Foreign Trade Zone Study
Port of Oakland Expansion
West Oakland Multimode Center

DISTRIBUTION TERMINAL

Project Description: The Port of Oakland has proposed to construct warehouse facilities near the airport to facilitate the transshipment of goods. In addition, the Port has proposed to schedule the construction of roads to open new areas to business improvements. Beyond these short term plans, there is need to develop a comprehensive strategy to increase Oakland's competitive advantage for industrial transportation. One part of this strategy has been proposed as a distribution terminal and long distance truck servicing facility, combining group loading and storage facilities with retail, food, fuel and lodging services. Since this would be a land intensive operation, a suitable site easily accessible to the Nimitz freeway has not yet been identified.

Estimated Costs: The proposed Port improvements are scheduled to cost \$2.95 million. A planning and engineering study to fully develop Oakland's industrial transportation strategy would cost around \$150,000.

Schedule: Implementation of the Port improvements is proposed for early 1979.

Project Impacts: These projects will provide substantial indirect benefits for Oakland's economy by increasing the attractiveness of an Oakland location for industrial establishments.

Project Source: Port of Oakland proposed Capital Improvement Program.

FOREIGN TRADE ZONE STUDY

Project Description: This project is being undertaken jointly by the Port of Oakland and the City. Its purpose is to establish a foreign trade zone in Oakland. Such a zone would allow certain types of products to be imported, stored or manipulated so as to lower import tariffs. Approval for the zone will be granted by The Foreign Trade Zone Board when an economic feasibility study has been prepared, commitments from firms have been obtained and an application prepared. Staff has been working with a potential developer to secure commitments. The developer has hired a consultant to do the economic feasibility study. The old White Front Store has been identified as a potential location.

Estimated Cost: To be determined.

Schedule: Further work on the project is pending completion of the economic feasibility study and the developer's identification of potential users.

Project Impacts: This project would create additional jobs and could have significant spin off effects through the generation of ancillary industries for zone activity. It would, in addition, enhance Oakland's reputation as a marine trade center.

Project Source: OEDE staff; Port of Oakland; private developer.

PORT OF OAKLAND EXPANSION

Project Description: The Port of Oakland proposes to undertake a number of capital improvement projects in order to maintain its dominant position in Bay Area Shipping. These projects include development of the Market Street Terminal as a container facility, improvements to the break/bulk facility at the Inner Harbor terminal to accomodate storage of steel products, improvements in rail access to the Middle Harbor Terminal, and development of a new container terminal in Outer Harbor. Additional Outer Harbor improvements will allow accomodation of larger ships at the SeaLand facility, will make operation of the auto processing center more efficient, and will develop an expanded container storage area. In addition, provision needs to be made for a bank of industrial land for container back up space and warehouse facility expansion.

Estimated Costs: Total costs for the four Port expansion projects are \$54,155,000. The largest projects are development of the Market Street Container facility (\$33,026,000) and Outer Harbor improvements (\$20,377,000). As industrial land is currently priced at \$100,000/acre, additional funds would be needed for the acquisition of back up space.

Schedule: Port expansion has been scheduled to proceed in phases, beginning in late 1978. Certain phases of construction will take two to three years.

Project Impacts: A detailed analysis of project impacts has not yet been undertaken.

Project Source: Port of Oakland Proposed Capital Improvements Program.

WEST OAKLAND MULTIMODE CENTER

Project Description: It has been proposed that more extensive use be made of the West Oakland BART station by linking that station to various other passenger modes, including AMTRACK and interstate bus lines, as well as increasing regional transit service links. The AMTRUCK station in West Oakland is the major Bay area stop on the Pacific Coast lines, and is the terminus of transcontinental passenger rail lines. However, because of the somewhat inconvenient location of the station, it is not used as intensively as it could be. The proposal calls for a new AMTRACK terminal building at the edge of the Southern Pacific railroad yards, with provisions within the station to accommodate Greyhound and Trailways buses. As this would be only a few hundred feet from the West Oakland BART station, a "people-mover" to make the short link would be quite feasible. Additional parking and bicycle storage facilities would also be developed.

Estimated Cost: Total cost for this project is \$6.5 million, primarily for construction related expenditures. Property acquisition and relocation expenses are also included. A CALTRANS grant is expected to be supplemented with contributions from AMTRACK and Southern Pacific Railway Co.

Project Funding: An application for CALTRANS funding has been submitted. AMTRACK and Southern Pacific Railway Co. will also make contributions to this project.

Schedule: An application for CALTRANS funding has been submitted. The City is prepared to initiate design work as soon as the grant award is announced. Construction could begin in mid 1979.

Project Impacts: Construction of the Multimode Center is expected to dramatically increase rail ridership, with associated spillover effects of the center making Oakland a more attractive business location in general and more specifically in increasing commercial demand around the station. The project would also increase mobility for Oakland residents, particularly for those who do not choose or are not able to drive.

Project Source: City Planning Department.

Strategy Area:

SELECTED MANUFACTURING INDUSTRIES

Projects:

Coliseum Industrial Complex Improvements
Commercial/Industrial Rehabilitation Loan (CIRL) Program
Energy Conservation Industry Development
Foreign Trade Zone Study
 (for project description, see Transportation and
 Related Industries)
Garment Industry Project
Industrial Land Assembly and Obsolete Building Conversion
 Programs
Linden Street
One Stop Business Service
Revolving Loan Fund
Scrapyard Relocation/Recycling Center
77th Avenue Industrial Redevelopment Project

COLISEUM INDUSTRIAL COMPLEX IMPROVEMENTS

Project Description: The Coliseum Industrial Complex, adjacent to the Airport Business Park above the Nimitz freeway, is an important industrial area containing at least 13,000 jobs and some of the City's largest employers. This area has been targeted for special attention in Oakland's efforts to retain existing industrial employment. An investment strategy is being prepared in conjunction with the businesses in the area through a planning grant from EDA. The Investment Strategy will contain recommendations for public improvements needed to make the area attractive for business location and expansion, including recommendations on site improvements, land assembly mechanisms, upgrading public and private transportation systems, zoning adjustments and proposed financial assistance mechanisms. This strategy is expected to be completed at the end of the year. A marketing strategy for attracting other firms to the area will also be discussed.

Estimated Costs: Specific cost estimates associated with the Investment Strategy will be determined as part of the planning process now underway. First year implementation costs for some of the short-range activities outlined above might run in the range of \$250,000 to \$500,000.

Schedule: Preparation of the Investment Strategy is now underway. The Investment Strategy will include implementation responsibilities, scheduling, and costs as well as presenting schematic reuse of certain sites within the area. After adoption of the Investment Strategy, detailed construction drawings will need to be prepared before any construction can begin. This will take at least six months from completion of the Investment Strategy in December 1978.

Project Impacts: The project will improve the environment for businesses in the Coliseum, thereby helping to retain manufacturing jobs in the City and to expand opportunities for manufacturing employment.

Project Source: The project was initiated by the City Planning Department and the Office of Community Development in an effort to identify land for industrial expansion. The critical nature of problems in this area have been recognized by City Council in its designation of the 77th Avenue redevelopment process, and in its designation in January, 1978 of the Coliseum Industrial Complex as an area for intensive study and action.

COMMERCIAL/INDUSTRIAL REHABILITATION LOAN (CIRL) PROGRAM

Project Description: The Small Business Administration provides low interest financing to "small" commercial and industrial establishments for improvements to their buildings and facilities, including acquisition, new construction, and rehabilitation. A typical deal includes 55% of project costs from a commercial bank (secured with a first deed of trust), 35% from SBA (second deed of trust), 5% from the small business, and a 5% local injection through a LDC (third deed of trust). Thus local funds through the LDC average other revenue sources at a level of 20 to 1.

The primary objective of the program is to rehabilitate existing commercial and industrial buildings in need of repair. The program is designed to impact trade areas where deterioration, disinvestment, and general economic decline have occurred. The program is currently operated by the Office of Economic Development and Employment through funds allocated to the CIRL fund in the years III and IV CDBG budgets. It is proposed that the program be expanded by increasing the amount of money available for the local injection, and by increasing City staff able to package and successfully obtain these loans. It is further proposed to expand this effort through the establishment of a Seven CD District LDC (see separate proposal entitled "Citywide local development Corporation"). This idea is also similar to the Spanish Speaking Unity Council project, "Industria y comercio LDC Capitalization".

Estimated Cost: Expansion of this program will cost \$250,000 to \$300,000 in year V CDBG budget.

Schedule: This is an ongoing program.

Project Impacts: This program will create new job opportunities, will provide attractive trade areas, will assist in the efforts to retain industrial and commercial businesses, will increase the property tax base, will promote local small business ownership, and will encourage the relocation and expansion of businesses into currently vacant commercial buildings.

Project Source: CDBG budgets, years III and IV; CDAC: EDAC endorsement in concept.

ENERGY CONSERVATION INDUSTRY DEVELOPMENT

Project Description: This project would stimulate the creation of an energy conservation-related industry complex in Oakland through the use of a revolving loan fund. The fund would provide a 2.5% interest subsidy on business expansion loans to energy conservation-related firms relocating or expanding in Oakland. The subsidy would be provided from interest foregone on the \$1,000,000 which would be deposited in a non-interest bearing account. Loans would be tied to the hiring of Oakland residents. As loans are repaid, the money can go back to the fund to make additional loans.

Estimated Cost: The program is proposed to be capitalized in an initial amount of \$1,000,000.

Schedule: This program is in the concept stage and would require detailed planning before a specific implementation schedule could be developed.

Project Impacts: A \$1,000,000 deposit will generate \$3,000,000 in low interest loans. Analysis has not yet been done on job generation.

Project Source: Mayor Lionel Wilson's Proposal for Special State Assistance to Oakland.

GARMENT INDUSTRY PROJECT

Project Description: This project would establish a center for Oakland's garment industry which could also be used as a training center for industry employees. Within the center would be located a consortium of garment manufacturers who would be able to pool resources for employment as well as training needs. Additional space would be available on a rental basis for associated businesses such as buyers pools and design contractors.

Estimated Costs: Because a feasibility study has not yet been conducted, costs for this project has not yet been estimated, although preliminary financial analysis indicates that public costs would be minor.

Schedule: A proposal to have OEDE conduct a feasibility study is expected to be completed shortly. Staff is currently in the process of exploring potential buildings as a site for a garment industry center.

Project Impacts: This project has the potential for expanding the garment industry and creating additional jobs in Oakland although the impacts cannot be quantified at this time. Development of the garment center will be a major factor in attracting garment manufacturers and associated industries to Oakland.

Project Source: Oakland garment manufacturers; OEDE staff.

9/18/78

GARMENT INDUSTRY PROJECT

Project Description: This project would establish a center for Oakland's garment industry which could also be used as a training center for industry employees. Within the center would be located a consortium of garment manufacturers who would be able to pool resources for employment as well as training needs. Additional space would be available on a rental basis for associated businesses such as buyers pools and design contractors.

Estimated Costs: Because a feasibility study has not yet been conducted, costs for this project has not yet been estimated, although preliminary financial analysis indicates that public costs would be minor.

Schedule: A proposal to have OEDE conduct a feasibility study is expected to be completed shortly. Staff is currently in the process of exploring potential buildings as a site for a garment industry center.

Project Impacts: This project has the potential for expanding the garment industry and creating additional jobs in Oakland although the impacts cannot be quantified at this time. Development of the garment center will be a major factor in attracting garment manufacturers and associated industries to Oakland.

Project Source: Oakland garment manufacturers; OEDE staff.

9/18/78

INDUSTRIAL LAND ASSEMBLY AND OBSOLETE BUILDING CONVERSION PROGRAM

Project Description: One of Oakland's most pressing economic development needs is for an adequate supply of industrial land. Most vacant parcels within the City, outside Port area boundaries, are scattered and of relatively small size. Many other parcels are not being developed to their highest and best use, and many others contain structures that have outlived their economic worth. Many firms within Oakland are having difficulty finding affordable space for expansion. When expansion space is not available, a firm is likely to move its entire operation outside the City, thus representing a loss of new and existing investment and employment. Further, the City has no land inducements to offer a firm considering an Oakland location (whether as a result of an economic attraction program or from some other cause).

An industrial land assembly mechanism might be implemented in a number of ways. Land could be acquired through direct purchases at market rates, through a redevelopment type of process, or through receipt of gifts in exchange for certain tax considerations. Land acquired could be vacant, could contain structures suitable for demolition, or could contain structures for which rehabilitation and reuse were economically viable. Once a sufficient supply of industrial land began to be assembled through these means, trades could be offered to other owners to acquire sites surrounding land banked property. Incentives could also be offered to industry to facilitate a checkerboard pattern of reuse: a company would receive a new site with adequate space for expansion for which its old site with obsolete building would be partial payment. This building would be demolished or rehabilitated to make the site for another firm's needed expansion space. In these ways, a large pool of land could be land banked and a variety of expansion space needs could be met.

Estimated Cost: Acquisition of industrial property is an expensive proposition, as the going rate for industrial land is \$100,000 per acre. However, such a program can be begun incrementally, with proceeds from land sales being used to replenish the land bank. It is proposed that in its first year of operation the land assembly component of this project be funded in the range of \$375,000 to \$750,000. Additional funds would be needed if a large supply of land "capital" were desired at the beginning of the program, or if substantial rehabilitations or demolitions of existing structures are anticipated in the first round of operations.

Schedule: An institutional mechanism to administer this program would need to be established. Land sales are somewhat lengthy processes, with the typical industrial purchase taking 120 days to close.

Project Impacts: This project would directly serve a primary economic development goal of retaining jobs in Oakland, and would be an essential component of City strategy to improve Oakland's economy through an attraction program. An industrial land assembly program has proven to be the foundation of many successful economic development programs throughout the country.

Project Source: This project was a proposal of the Oakland Business Study and of the City's Industrial Areas Task Force as well as the Kaiser Aluminum Task Force of OCED.

LINDEN STREET INDUSTRIAL/RESIDENTIAL BUFFERING PROJECT

Project Description: Linden Street is an unimproved street between 40th and 46th Streets in North Oakland. Several of the major industries on the street, and residents of the homes that adjoin them, have together established the Linden Street Improvement Group. The Group sponsored preparation of a plan by the Community Design Center to improve the street.

The Plan calls for closing Linden Street to all but emergency vehicles between 40th and 46th Streets. On street parking, park areas, benches, and a basketball court would be shared by residents and employees. Bricked intersections and one or two tot-lots are also proposed.

Estimated Cost: The estimated cost for the full project as proposed by the Community Design Center is \$960,000. A second alternative involving some scaling down of the plan would cost \$600,000. A third alternative proposed by the Office of Public Works, which would provide only street surface improvements and some parking, would cost approximately \$500,000. All three alternatives would require \$10,000 to \$15,000 per year from maintenance. Some \$115,000 of Community Development funds (Yrs. II through IV) have already been budgeted for this project.

Schedule: Initial planning work on the project is complete. Detailed engineering drawings to guide construction will need to be prepared. It is estimated that actual construction could be done in one year.

Project Impacts: The project is designed to improve an unimproved street in North Oakland, to provide needed parking for businesses and residents of the area, to improve the immediate working environment of important Oakland employers, and to provide easily accessible open space for an open space deficient area of the City.

Project Source: Project proposed by Linden Street Improvement Group including several of the leading businesses in the area. Endorsed by North Oakland Community Development Committee, and the CDAC. CDBG Budgets, Years II, III, and IV. Proposed for funding in Year V Economic Development budget.

8/1/78

ONE STOP BUSINESS SERVICE

Project Description: The One Stop Business Service provides a variety of services to business persons in Oakland, and to persons interested in starting a business in Oakland. Businesses are assigned a Business Assistance Specialist who provides easy centralized access to information and personalized service.

Services include identifying necessary permits and licenses, providing assistance in obtaining necessary forms and following up on the applications. Information is also provided on the costs of doing business in Oakland and on the employment and training programs available. A BAS can assess the "bankability" of a loan application and can help small businesses develop money management systems, and can serve as resource to all city services, expediting individual requests for assistance. The One Stop program includes a Site Locator System which can locate available property, industrial plants, commercial buildings and office space, and which can match a client with the broker most able to meet the clients needs.

Estimated Cost: Annual operating costs of the One Stop Service are \$225,000 to \$300,000.

Schedule: This is an on-going program of the Office of Economic Development and Employment.

Project Impacts: The One Stop Business Service is currently assisting almost two hundred clients. These clients include both existing businesses and start ups. In general, businesses aided through the One Stop Service are the smaller and newer firms in the City.

Project Source: The One-Stop Business Service has been funded out of the special economic development demonstration grant, the Community Economic Development Program. The program is similar to the Business Assistance and Legal Aid programs in the fourth year CDBG budget. This program is proposed for continued funding in the fifth year CDBG economic development budget.

8/1/78

REVOLVING LOAN FUND

Project Description: Industrial establishments in Oakland have various financial needs, including requirements for funds for long term expansion, construction or rehabilitation of facilities, purchase of capital equipment, and short term operating fund needs. This proposal is for a flexible loan program which could meet a variety of financial assistance needs within designated standards for that assistance. The fund could both be a source of financial assistance for firms that could not readily obtain conventional financing, and could provide an interest subsidy for firms expanding or locating in Oakland. The fund could provide financial incentives to encourage new business investments, to encourage firms to hire Oakland residents, and as one of a series of tools and programs to attract new firms to Oakland.

The mechanism for establishing this fund could be designed in a number of ways. A tax-exempt financing mechanism might be established using the City, a tax exempt institution and the commercial banks. The program might be established as a partial guarantee program, with the City taking subordinate position to a private lending institution. City funds might be deposited with a commercial bank to leverage private funds for approved projects.

Estimated Cost: Eventual capitalization of this program might reach several million. Operating costs would be approximately \$200,000. This program would be designed to insure that all loan funds would revolve back to the City and would be available for additional loans. Therefore, the loan funds would be available in perpetuity.

Schedule: Six to eight months would be required to design the mechanisms to implement this program.

Project Impacts: This project will encourage the expansion of Oakland industries, will encourage the hiring of Oakland residents, and will be an important inducement in retaining Oakland firms and attracting additional firms to Oakland.

Project Source: This project has been frequently proposed in a number of different forms, all designed to address the same goals. It was called the "Oakland Investment Fund" in the City's preliminary proposal for Title IX funding from EDA, was mentioned in the Mayor's Five Year Strategy as the "Interest Subsidy Programs", was recommended by the Oakland Business Study, and has been proposed by various Task Forces of OCED.

SCRAPYARD RELOCATION/RECYCLING CENTER

Project Description: The City is currently trying to find a solution to the problems of scrap operators, scrap processors, junk storage yards, and auto salvagers/dismantlers in west Oakland. The problems are critical for the 61 yards in west Oakland because 1974 rezoning made "scrapyards" non-conforming uses and City Council is now moving to abate them. Yet the scrap industry employs 400 primarily low and moderate skill individuals in Oakland, and has been identified as an extremely important concentration and growth industry for the City.

Three options have been identified for dealing with the immediate west Oakland scrapyards issues: (1) adopt amortization policy thus requiring non-conforming scrapyards to cease operations in their present locations within a specific period of time (thus requiring individual operators to incur relocation expenses), (2) acquire site where scrapyards can legally operate, and (3) provide relocation assistance to scrapyards which move into designated sites. Further down the road, the City might look toward assisting in the development of a total recycling center and in encouraging the growth and development of its already large concentration of recycling industries (now primarily metals and glass). This might include development of a municipal recycling center, along the lines of that developed in Milwaukee, or might include special incentives for recycling industries locating within the City.

Estimated Cost: It is estimated that relocation costs for the abated west Oakland scrapyards will range from \$1.14 million to \$1.85 million. A full scale recycling center development will have a total cost in the range of \$18 million; partial private financing would substantially offset public costs as would sales of recyclable materials.

Schedule: The need for an immediate solution is pressing as City Council is moving against illegal scrap operations. It is estimated that eighteen to twenty-six months will be required to locate, prepare and assemble a suitable site for scrap operations.

Project Impacts: There are approximately 400 people employed in small scale scrap operations, plus several thousand additional employees in major scrapplers such as Schnitzer and Learners and in the metals industries. The project would directly insure the employment of these 400 employees, and would indirectly protect the employment levels of the processor's who receive materials from the small operators. The total recycling center concept has the potential to employ approximately 500 people directly and in spin off industries.

Project Source: A variety of groups and organizations have been involved in this project, including the West Oakland Junkyard Committee, various City departments, and City Council.

8/1/78

77TH AVENUE INDUSTRIAL REDEVELOPMENT PROJECT

Project Description: This 10 acre industrial redevelopment project is located in East Oakland between San Leandro Street and the Southern Pacific Railroad immediately West of 77th Avenue. Development of the project will allow the firm of American Brass and Iron Foundry to expand its current operations. The firm currently owns 3.5 acres of the area included in the project. A draft redevelopment plan has been completed and a final redevelopment plan is being prepared.

Estimated Cost:

Total:	\$11,000,000
City	\$ 440,000 (net project costs after sale of land)
Other	\$10,590,000 (including potential EDA, SBA, or UDAG loan assistance)

Schedule: The Final Redevelopment Plan will be reviewed by the Planning Commission on August 23, 1978. Further action on the project is pending the developer's ability to secure development financing.

Project Impacts: The project would create an additional 147 jobs (total 319) of which it is estimated 70% would be filled by Oakland residents and 90% by minorities. Annual tax revenues for the project would amount to \$82,500.

Project Source: OCED Industrial/Commercial Retention Task Force; OEDE staff

Strategy Area:

NEIGHBORHOOD COMMERCIAL REVITALIZATION

Projects:

Acorn Shopping Center
Citywide Local Development Corporation
Commercial Industrial Rehabilitation Loan (CIRL) Program
 (for project description, see selected Manufacturing Industrial
 Strategy Area)
East Bay Asian Resource Center
East 14th Street Revitalization
Elmhurst Neighborhood Development Program
Equity Investment in Financial Institutions
Industria y Comercio LDC
Industrial and Commercial Land Assembly Program (for project description see selected Manufacturing Industry Strategy Area)
MESBIC
Neighborhood Economic Development Fund
Neighborhood Supermarket Development
Selected Commercial District Revitalization

ACORN SHOPPING CENTER

Project Description: The Acorn Shopping Center is the final piece in the Acorn Redevelopment Project, a 50-block area in West Oakland bounded by 1st, Brush, Union and 10th Streets and including portions of the Street (between Brush and Market) and 8th Street (between Union and Cypress). As presently designed, the shopping center will consist of a total of 110,000 square feet of commercial space: 40,000 square feet for neighborhood commercial (including a supermarket); 35,000 square feet for regional commercial-retail; and 35,000 square feet for regional commercial warehousing/distribution. Shopping center development is currently the responsibility of the Greater Acorn Community Improvement Association, Inc. (GACIA), a non profit corporation created by the New Oakland Committee, with which the City signed an exclusive right to negotiate for the purchase of the site. Discussions are currently being undertaken regarding alternative development options (including development by a community CDC).

Estimated Costs: Total cost of developing the shopping center is estimated at \$4,234,000. The project has already received \$1,234,000 from EDA. A second EDA (technical assistance) grant of \$35,000 was received to conduct market and demographic analysis. An alternative development option might require a commitment of operating subsidies as well.

Schedule: GACIA is currently conducting preliminary discussions on potential development options with a prospective development consultant. Once financing and an anchor tenant have been secured, construction could be completed within 20 months.

Project Impacts: This project will generate 150-175 new jobs and 110 construction jobs and over \$80,000 per year in additional sales tax revenues. Detailed analysis has not been conducted on the effect of Proposition 13 on property tax revenues from Acorn. The original annual property tax revenue projections were \$110,000, although this figure could now be reduced by as much as 2/3 by Jarvis Gann.

Project Source: This project was described in the General Urban Renewal Plan.

CITYWIDE LOCAL DEVELOPMENT CORPORATION

Project Description: The initial emphasis of the Citywide LDC would be to package, process, and close Small Business Administration Section 502 (SBA 502) loans. The loans would be made within the seven CD districts, and will complement existing economic development activities. The SBA 502 program, an ongoing effort of the Office of Economic Development and Employment, loans money to small businesses for land and plant acquisition, new construction, and commercial rehabilitation. A typical deal includes 55% of project costs from a commercial bank (secured with a first deed of trust), 35% from SBA (second deed of trust), 5% from the small business, and 5% from the LDC (third deed of trust security).

The City is currently working through a number of existing special purpose LDC's, including the Greater East Bay LDC, capitalized using CDBG funds. The current proposal is for an LDC directly accountable to the CD District Boards that could actively provide loan packaging and closing services as well as providing the 5% local injection. As the Board of the LDC gains experience in financing tools, other programs may be initiated.

Estimated Cost: Initial capitalization would be in the range of \$170,000 to \$420,000, with an annual operating budget of \$77,000.

Schedule: Documents of incorporation are currently being prepared. After two contracts are negotiated with the City, staff could be hired and the program implemented in short order.

Project Impacts: This program would benefit small to medium sized commercial and industrial establishments in Oakland's flatlands who desire to make capital improvements (expansion, renovation, purchase) to their facilities.

Project Source: This proposal was initiated by the CD District Chairpersons, endorsed by the Mayor, and approved in concept by the EDAC.

EAST BAY ASIAN RESOURCE CENTER

Project Description: The East Bay Asian Local Development Corporation is seeking to purchase and renovate the Lyon Storage and Moving Company warehouse in Chinatown for the East Bay Asian Resource Center. The center will be a central location for Asian related social service agencies and will also provide space for commercial businesses whose rent revenues will help reduce the costs of the space for the social service agencies. A cash flow surplus may be produced which can support new and continuing service programs for the Asian community.

Estimated Cost: Total project cost is \$3.8 million, including \$415,000 for property acquisition and \$2,590,000 for construction. The balance is for architectural and engineering fees, financing costs, taxes, administrative expenses and contingency reserves. An application is in to EDA for \$1,292,000. A loan of \$250,000 will be made by the state, and a \$2,475,000 real estate loan will be obtained, leaving \$775,000 remaining to be raised. The Ford Foundation has indicated an interest in being a lender, and other sources are being pursued. It is proposed that the City provide a portion of needed funds from community development funds, provide CETA funding for three staff positions, and allocate \$177,600 in the library budget to enable the Asian Community Library to move into Resource Center.

Schedule: Firm financial commitments must be secured, including EDA action on the pending application. After firm commitments are made, and remaining funds are secured, the project is ready to move into the construction phase which will require twenty-six months to complete. It is estimated that the center will be in full operation two months after completion of construction.

Project Impacts: The Center will support the activities of social service agencies helping Asians, will strengthen Oakland's role as a center of the Asian community, will create a modest surplus with which to assist other Asian community projects, will utilize a currently underutilized property in the downtown district, create 62 short-term construction jobs and 100 permanent jobs in the commercial enterprises to be located in the center, and strengthen the economic base of the Asian community.

Project Source: This project has been proposed by the East Bay Asian LDC, and been endorsed by a number of social service agencies as well as EDA's Area Representative.

8/1/78

EAST 14TH STREET REVITALIZATION

Project Description: East 14th Street has been designated for special revitalization attention by City Council and the City Manager. At their direction, the Office of Economic Development and Employment will be preparing an Investment Strategy for East 14th Street with a Study Advisory Committee composed of residents and businesses from the four East Oakland CD districts. The Investment Strategy will propose long range programs for dealing with the problems of E. 14th Street, but will also propose short term solutions that may be implemented immediately, such as management and technical assistance to individual businesses, parking improvements, facade paint program, loans from the Neighborhood Economic Development Fund, and SBA 502 funds. The specific improvements to be undertaken along E. 14th Street will be carefully worked out with the Study Advisory Committee.

Estimated Cost: Specific cost estimates for the investment strategy will be determined as part of the planning process now underway. First year implementation costs for some of the short-range activities outlined above might run in the range of \$300,000-600,000.

Schedule: Identified short term improvements could be implemented in calendar year 1979. The Investment Strategy will be finalized and adopted in Spring 1979, and will lay out a three to five year program of longer term improvements.

Project Impacts: This project will benefit the residents of the four East Oakland CD districts by improving the neighborhood environment and enhancing shopping opportunities. The project should generate a number of long-term job opportunities. It may have a multiplier effect for the City's economy if dollars that would have been spent outside the City are attracted back by the merchants along East 14th Street.

Project Source: City Council

8/1/78

ELMHURST NEIGHBORHOOD DEVELOPMENT PROJECT (NDP)

Project Description: The Elmhurst NDP target area is located on E. 14th Street between 81st and 100th Avenues. This is a commercial strip revitalization/beautification project which includes public improvements, a business assistance loan program, a facade treatment program, a paint program, a market feasibility study, a housing development project and a youth center (construction completed). The project is divided into three nodes: 93rd to 98th Avenues, 81st to 85th Avenues and 85th to 93rd Avenues.

Estimated Cost: Total : \$2,345,000
 City : \$2,345,000
 Private: To be determined

Schedule: This project has been on-going since 1973. On-going activities include a commercial facade improvement program, consisting of a rehabilitation loan program and a paint assistance, off-street parking lots and inspectional services.

Project Impacts: 35 businesses have received paint from the paint program. Another 12 have paint on order. The Bank of America has agreed to participate in the facade program and the 502 business assistance loan program is currently available. Some businesses have reported an increase in trade since improvements have been made.

Project Source: CDBG Program

EQUITY INVESTMENTS IN FINANCIAL INSTITUTIONS

Project Description: This project is contained in the Spanish Speaking Unity Council's (SSUC) OEDP. The project is still in the conceptual stages but should be fully defined shortly. The OEDP has been submitted to the Community Services Administration (CSA) for review and response.

Estimated Cost: \$654,000 (2 years)

Schedule: This project is scheduled for implementation during the first year of operation following funding by CSA.

Project Impacts: Data is not yet available, since the program has not yet been fully developed.

Project Source: Spanish Speaking Unity Council OEDP

8/1/78

INDUSTRIA Y COMERCIO LDC CAPITALIZATION

Project Description: This program is included in the Spanish Speaking Unity Council's OEDP. It will provide the local injection for SBA's 502 loan program. The OEDP has been submitted to the Community Services Administration (CSA) for review.

Estimated Cost: \$100,000 (2 years); \$200,000 (3rd year)

Schedule: This program is scheduled to begin during the first year of operation of SSUC's overall program. The OEDP is awaiting CSA review and response.

Project Impacts: Using a rough estimate of 5 jobs generated per \$10,000 invested by the LDC (based on the City's experience in the 502 loan program), this program could potentially generate approximately 150 jobs over the three year period. Detailed analysis on tax revenues generated has not yet been conducted.

Project Source: Spanish Speaking Unity Council OEDP

8/1/78

MESBIC

Project Description: This program is included in the Spanish Speaking Unity Council's (SSUC) OEDP. The MESBIC will provide direct business loans, loan guarantees, and direct investment in businesses which are at least 50 percent owned by disadvantaged persons. The OEDP has been submitted to the Community Services Administration (CSA) for review and response.

Estimated Cost: \$500,000 (2 years)

Schedule: This program is scheduled to begin during the first year of operation of SSUC's overall program. Program funding and implementation is awaiting CSA review and response.

Project Impacts: The projected job yield for this program (as per estimate in the OEDP) is 1 job per \$10,000 invested for a total of 50 jobs.

Project Source: Spanish Speaking Unity Council OEDP

8/1/78

NEIGHBORHOOD ECONOMIC DEVELOPMENT FUND

Project Description: This project would provide high risk working capital and venture capital loans to marginal neighborhood commercial establishments in the seven Community Development districts as one tool to stimulate neighborhood commercial revitalization. The program would be administered through a loan committee of the proposed Seven CD District LDC.

The primary objectives of the program would be to provide funds to marginal establishments that do not have access to the private capital market and to provide funds to create the commercial facilities needed by flatlands residents. Secondary objectives of the program are allocation of scarce resources among numerous applicants and preservation of the resources of the program against excessive defaults. LDC staff and the loan committee would evaluate loan applications on a case by case basis.

Estimated Cost: This program is proposed for initial capitalization in the range of 250,000 to 500,000. A portion of the fund will revolve back in the program, minus a loss reserve.

Schedule: This project is in preliminary proposal form. The details of this program must be worked out, and a policy decision to fund the program must be made by the EDAC and City Council. In addition, the Seven CD district LDC must be formed, and a loan committee established. Proposed staff for this program must be hired, and two contracts signed with the City. It is estimated that this process will take no less than six months and may take up to 12 months.

Project Impacts: This project will benefit small business persons and potential entrepreneurs in the flatlands of Oakland and will benefit residents of the flatlands by expanding commercial facilities. Loans made through this program probably will not be used to expand employment, but will be used to stabilize existing businesses and to start new businesses.

Project Source: This program has been initiated by the Seven CD district chairpersons and endorsed in concept by the Economic Development Advisory Commission.

9/18/78

NEIGHBORHOOD SUPERMARKET DEVELOPMENT

Project Description: With the closing of the Park Boulevard Co-op supermarket and the threatened closing of the North Oakland Co-op, various community organizations have proposed that the North Oakland facility be purchased and operated as part of a neighborhood owned food production, distribution, and sales chain. This proposal is in the preliminary discussion phases, with current thinking on a neighborhood controlled management structure as the key to necessary membership patronage. An additional proposal has been made that an open air produce market be developed.

Estimated Cost: Initial capital costs for this project are likely to be in the \$150,000 to \$250,000 range; any offer to purchase the facility will have to be competitive with that of a private developer interested in acquiring the store. Based upon co-op experience, a weekly sales volume of \$850,000 will be needed to maintain the operation. Start up capital would be provided from the sale of shares in the neighborhood, by an equipment loan from a private credit institution, and by a loan from the City's Community Development funds.

Schedule: A decision to purchase the co-op store would probably need to be made within 90 days of its closing. Establishment of a management structure and securing necessary financing would need to be completed prior to closing the sale.

Project Impacts: The primary benefit of the program would be to give residents of Oakland's CD districts direct control over an institution that has a daily impact on their lives. If surplus were generated, it could be used to expand the program or to fund other community sponsored projects, but the risk of a deficit in the early years of operation is very high. There is likely to be no net increase in jobs, but jobs that might have been lost with the co-op closing will be saved.

Project Source: Council of the seven CD district chairpersons.

SELECTED COMMERCIAL DISTRICT REVITALIZATION

Project Description: This proposal is to provide money for the revitalization of selected commercial strips, nodes, and areas to be identified in the seven Community Development Districts. Revitalization of a particular district will include public works type improvements (parking, curbs, gutters and sidewalks); other physical improvements (street trees, benches and trash cans, architectural assistance for individual facade and sign improvements, uniform signing and district identification, signs outside district advertising its location and the services provided there); technical and management assistance to individual businesses (marketing analysis, suggestions for inventory improvements, cash flow and accounting assistance, etc.); and business area management and involvement of active merchants' association. In addition, a variety of loan funds may be available, including facade improvement loans, SBA 502 funds for substantial renovations, and loans for the Neighborhood Economic Development Fund. Five commercial districts have been identified in past CDBG Budgets for this treatment and additional districts might be targeted over the coming years. Identified strips include: Foothill/Seminary, the Grove Street campus, 7th Street, East 14th Street and lower San Pablo Avenue.

Estimated Costs: It is estimated that the public costs of proposed improvements are in the range of \$200,000 for each discrete commercial district. This project is being proposed for year V CDBG funding, which would enable revitalization activities to occur on strips other than the five identified in CDBG budgets for years II through IV (E street, San Pablo/Stanford, 38th Ave., Fairfax and Fruitvale/Foothill.)

Schedule: After completion of the planning phase for each strip (6 months), construction and implementation will take approximately one year.

Project Impacts: This project will benefit the residents of Oakland's CD districts who live adjacent to the commercial districts selected for improvements. The project will improve residential communities by providing more desirable shopping.

Project Source: Council of the Seven CD District Chairpersons.

Strategy Area:

ENTREPRENEURIAL DEVELOPMENT

Projects:

Equity Investments in Venture Programs
MESBIC (for project description, see Neighborhood Commercial
Revitalization Strategy Area)
Minority Construction Bonding Assistance Program
Neighborhood Economic Development Fund (for project description,
see Neighborhood Commercial Centralization Strategy Area)
One Stop Business Service (for project description, see
Selected Manufacturing Industries Strategy Area)
Technical/Management Assistance to CD Districts

EQUITY INVESTMENT IN VENTURE PROGRAM (Holding Company)

Project Description: This program is contained in the Spanish Speaking Unity Council's (SSUC) OEDP. It proposes establishment of a holding company to develop, own and manage SSUC's for profit business programs. The holding (investment) company would directly manage Industria y Comercio Local Development Company and the MESBIC (also included in the OEDP and described elsewhere in this report). These two entities will provide the primary vehicle for carrying out the overall purpose of the program, to wit, equity investment in business ventures. The OEDP has been submitted to the Community Services Administration (CSA) for review and response.

Estimated Cost: \$500,000 (2 years)

Schedule: Project start up is to begin during second year of operation of SSUC's overall program, assuming CSA funding, which is pending its review of the OEDP.

Project Impacts: Projected job yield for this program is 1 per every \$10,000 of invested venture capital for a potential 50 jobs initially. More detailed analysis has not been conducted on other potential impacts of this program.

Project Source: Spanish Speaking Unity Council OEDP

MINORITY CONSTRUCTION BONDING ASSISTANCE PROGRAM

Project Description: The Builders Mutual Surety Company (BMSC) has proposed that they receive a non consumable capital loan to increase the company's capability to underwrite construction contract bonds in order to assist minority contractors in Oakland. Independent contractors are required to post bonds to guarantee their completion of a construction contract; funds for these bonds are typically obtained from surety companies. Builders Mutual asserts that the financial evaluation criteria employed by these surety companies unfairly penalize small and minority construction contractors. Certain technical assistance services would be provided to minority contractors to help insure successful contract completion.

BMSC is able to provide \$1 of bonding for every \$10 of capital and surplus held by the company. Initial capitalization of \$500,000 has already been obtained. The additional capital provided by the City of Oakland would increase the bonding capacity of the company. In addition, BMSC proposes to invest the capital in projects that will have a positive impact on the City of Oakland.

Estimated Cost: BMSC has requested \$500,000 in Oakland, to be pooled with resources obtained from other California cities.

Schedule: This project is currently being reviewed for possible funding as part of the Year 4 CDBG budget. The program could be implemented as soon as the necessary contracts and loan agreements between the City and BMSC were signed.

Project Impacts: BMSC estimates that \$50,000 of additional bonding capacity will allow them to bond 20-30 additional minority contractors in the City of Oakland. The firm further estimates that a \$200,000 electrical contract can translate into four to six jobs for nine months.

Project Source: This project has been proposed by the Builders Mutual Surety Company.

9/18/78

TECHNICAL/MANAGEMENT ASSISTANCE TO CD DISTRICTS

Project Description: This proposal is to provide intensive business management and other types of technical assistance to individual firms located within the seven CD districts. Services to be provided would include: analysis of money management and inventory control systems and recommended improvements, accounting assistance, analysis of causes of cash flow crises, packaging loan applications and other requests for financial assistance, advertising and marketing improvements, and advice on product line modifications and improvements to existing space. These services could either be provided to individual businesses through an expansion of the City's One Stop Business Service and/or through an independent consultant.

Estimated Cost: It is estimated that an adequate level of service could be provided by funding this project in the \$350,000 to \$500,000 range.

Schedule: Some of these services are currently being provided by the Pacific Economic Resources League, and the current program represents an expansion and continuation of that effort.

Project Impacts: This proposal will directly assist individual businesses in improving their products, services, and profit margins, and may therefore allow these businesses to expand job opportunities.

Project Source: Community Development Block Grant program.

Strategy Area:

HOUSING AND COMMUNITY DEVELOPMENT

Projects:

Acorn

Elmhurst Neighborhood Development Program (for project description, see Neighborhood Commercial Revitalization Strategy Area)

Equity Investments in Financial Institutions (for project description, see Neighborhood Commercial Revitalization Strategy Area)

Linden Street Industrial/Residential Buffering Project (for project description, see Selected Manufacturing Industries Strategy Area)

Scrapyard Relocation/Recycling Center (for project description, see Selected Manufacturing Industries Strategy Area)

ACORN

Project Description: The Acorn project is a 50 block redevelopment project to provide housing and commercial/industrial sites in West Oakland. Over 1,000 housing units have been constructed. Other major facilities include the West Oakland Health Center, St. Vincent's Day Home and a 7-acre site for a shopping center. The project is bounded by 1st, Brush, Union and 10th Streets, including also a portion of 11th Street (between Brush and Market) and 8th Street (from Union to Cypress). The project has been essentially completed with the exception of the shopping center.

Estimated Cost:

Total	:	\$44,118,000
City	:	\$ 418,000
Federal:		\$12,800,000
Private:		\$30,900,000

Schedule: The project is substantially complete. The shopping center has yet to be developed and efforts to secure a developer and additional funding (from EDA) are currently underway.

Project Impacts: This project is expected to generate 900 permanent jobs as well as provide needed industrial space and public improvements.

Project Source: General Neighborhood Renewal Plan

Strategy Area:

HUMAN SERVICES

Projects:

East Bay Asian Resource Center (for project description
see Neighborhood Commercial Revitalization Strategy Area)
Equity Investments in Financial Institutions (for project
description see Neighborhood Commercial Revitalization
Strategy Area)

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